

HOUSE BILL NO. 695

INTRODUCED BY D. LOGE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING ENVIRONMENTAL LAWS; ALLOWING THE COLLECTION OF FEES FOR PUBLIC COMMENT ON ENVIRONMENTAL IMPACT STATEMENTS; ALLOWING ARBITRATION FOR PUBLIC WATER SUPPLY DISPUTES; PROVIDING RULEMAKING AUTHORITY; AND AMENDING SECTIONS 75-1-202, 75-1-203, 75-1-205, AND 75-6-114, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 75-1-202, MCA, is amended to read:

"75-1-202. Agency rules to prescribe fees. (1) (a) Each agency of state government charged with the responsibility of issuing a lease, permit, contract, license, or certificate under any provision of state law may adopt rules prescribing fees that must be paid by a person, corporation, partnership, firm, association, or other private entity when an application for a lease, permit, contract, license, or certificate will require an agency to compile an environmental impact statement as prescribed by 75-1-201 and the agency has not made the finding under 75-1-205(1)(a).

(b) An agency shall determine whether it will be necessary to compile an environmental impact statement and assess a fee as prescribed by this section within any statutory timeframe for issuance of the lease, permit, contract, license, or certificate or, if no statutory timeframe is provided, within 90 days.

(c) Except as provided in 85-2-124, the fee assessed under this section may be used only to gather data and information necessary to compile an environmental impact statement as defined in parts 1 through 3.

(d) A fee may not be assessed if an agency intends only to file a negative declaration stating that the proposed project will not have a significant impact on the human environment.

(2) (a) Each agency of state government charged with the responsibility of issuing a lease, permit, contract, license, or certificate may adopt rules prescribing fees that must be paid by a person, corporation, partnership, firm, association, or other private entity when providing public comment as part of an environmental impact statement pursuant to 75-1-201.

1 (b) Rules adopted pursuant to this subsection (2) must provide:

2 (i) a process to prove that a third party is not paying the required fee;

3 (ii) that comments provided without the required fee are not accepted; and

4 (iii) a process for the agency to determine if payment of the fee constitutes a hardship. The agency
5 may waive all or a portion of the fee on proof by the commenter that payment of the fee constitutes a hardship.

6 (c) Fees collected under this subsection (2) must be used to offset costs assessed pursuant to 75-1-
7 205."

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9 **Section 2.** Section 75-1-203, MCA, is amended to read:

10 **"75-1-203. Fee schedule -- maximums.** (1) In prescribing fees to be assessed against applicants for
11 a lease, permit, contract, license, or certificate as specified in 75-1-202(1), an agency may adopt a fee schedule
12 that may be adjusted depending upon the size and complexity of the proposed project. A fee may not be
13 assessed unless the application for a lease, permit, contract, license, or certificate will result in the agency
14 incurring expenses in excess of \$2,501 to compile an environmental impact statement.

15 (2) The maximum fee that may be imposed by an agency may not exceed 2% of any estimated cost
16 up to \$1 million, plus 1% of any estimated cost over \$1 million and up to \$20 million, plus 1/2 of 1% of any
17 estimated cost over \$20 million and up to \$100 million, plus 1/4 of 1% of any estimated cost over \$100 million
18 and up to \$300 million, plus 1/8 of 1% of any estimated cost in excess of \$300 million.

19 (3) If an application consists of two or more facilities, the filing fee must be based on the total
20 estimated cost of the combined facilities. The estimated cost must be determined by the agency and the
21 applicant at the time the application is filed.

22 (4) Each agency shall review and revise its rules imposing fees as authorized by this part at least
23 every 2 years.

24 (5) In calculating fees under this section, the agency may not include in the estimated project cost the
25 project sponsor's property or other interests already owned by the project sponsor at the time the application is
26 submitted. Any fee assessed may be based only on the projected cost of acquiring all of the information and
27 data needed for the environmental impact statement."

1 **Section 3.** Section 75-1-205, MCA, is amended to read:

2 **"75-1-205. Collection and use of fees and costs.** (1) A person who applies to a state agency for a
3 permit, license, or other authorization that the agency determines requires preparation of an environmental
4 impact statement is responsible for paying:

5 (a) the agency's costs of preparing the environmental impact statement and conducting the
6 environmental impact statement process if the agency makes a written determination, based on material
7 evidence identified in the determination, that there will be a significant environmental impact or a potential for a
8 significant environmental impact. If a customer fiscal impact analysis is required under 69-2-216, the applicant
9 shall also pay the staff and consultant costs incurred by the office of consumer counsel in preparing the
10 analysis.

11 (b) a fee as provided in 75-1-202(1) if the agency does not make the determination provided for in
12 subsection (1)(a).

13 (2) Costs payable under subsection (1) include:

14 (a) the costs of generating, gathering, and compiling data and information that is not available from
15 the applicant to prepare the draft environmental impact statement, any supplemental draft environmental impact
16 statement, and the final environmental impact statement;

17 (b) the costs of writing, reviewing, editing, printing, and distributing a reasonable number of copies of
18 the draft environmental impact statement;

19 (c) the costs of attending meetings and hearings on the environmental impact statement, including
20 meetings and hearings held to determine the scope of the environmental impact statement; and

21 (d) the costs of preparing, printing, and distributing a reasonable number of copies of any
22 supplemental draft environmental impact statement and the final environmental impact statement, including the
23 cost of reviewing and preparing responses to public comment.

24 (3) Costs payable under subsection (1) include:

25 (a) payments to contractors hired to work on the environmental impact statement;

26 (b) salaries and expenses of an agency employee who is designated as the agency's coordinator for
27 preparation of the environmental impact statement for time spent performing the activities described in
28 subsection (2) or for managing those activities; and

(c) travel and per diem expenses for other agency personnel for attendance at meetings and hearings on the environmental impact statement.

(4) (a) Whenever the agency makes the determination in subsection (1)(a), it shall notify the applicant of the cost of conducting the process to determine the scope of the environmental impact statement. The applicant shall pay that cost, and the agency shall then conduct the scoping process. The timeframe in 75-1-208(4)(a)(i) and any statutory timeframe for a decision on the application are tolled until the applicant pays the cost of the scoping process.

(b) If the agency decides to hire a third-party contractor to prepare the environmental impact statement, the agency shall prepare a list of no fewer than four contractors acceptable to the agency and shall provide the applicant with a copy of the list. If fewer than four acceptable contractors are available, the agency shall include all acceptable contractors on the list. The applicant shall provide the agency with a list of at least 50% of the contractors from the agency's list. The agency shall select its contractor from the list provided by the applicant.

(c) Upon completion of the scoping process and subject to subsection (1)(d), the agency and the applicant shall negotiate an agreement for the preparation of the environmental impact statement. The agreement must provide that:

(i) the applicant shall pay the cost of the environmental impact statement as determined by the agency after consultation with the applicant. In determining the cost, the agency shall identify and consult with the applicant regarding the data and information that must be gathered and studies that must be conducted.

(ii) the agency shall prepare the environmental impact statement within a reasonable time determined by the agency after consultation with the applicant and set out in the agreement. This timeframe supersedes any timeframe in statute or rule. If the applicant and the agency cannot agree on a timeframe, the agency shall prepare the environmental impact statement within any timeframe provided by statute or rule.

(iii) the applicant shall make periodic advance payments to cover work to be performed;

(iv) the agency may order work on the environmental impact statement to stop if the applicant fails to make advance payment as required by the agreement. The time for preparation of the environmental impact statement is tolled for any period during which a stop-work order is in effect for failure to make advance payment.

1 (v) (A) if the agency determines that the actual cost of preparing the environmental impact statement
2 will exceed the cost set out in the agreement or that more time is necessary to prepare the environmental
3 impact statement, the agency shall submit proposed modifications to the agreement to the applicant;

4 (B) if the applicant does not agree to an extension of the time for preparation of the environmental
5 impact statement, the agency may initiate the informal review process under subsection (4)(d). Upon
6 completion of the informal review process, the agreement may be amended only with the consent of the
7 applicant.

8 (C) if the applicant does not agree with the increased costs proposed by the agency, the applicant
9 may refuse to agree to the modification and may also provide the agency with a written statement providing the
10 reason that payment of the increased cost is not justified or, if applicable, the reason that a portion of the
11 increased cost is not justified. The applicant may also request an informal review as provided in subsection
12 (4)(d). If the applicant provides a written statement pursuant to this subsection (4)(c)(v)(C), the agreement must
13 be amended to require the applicant to pay all undisputed increased cost and 75% of the disputed increased
14 cost and to provide that the agency is responsible for 25% of the disputed increased cost. If the applicant does
15 not provide the statement, the agreement must be amended to require the applicant to pay all increased costs.

16 (d) If the applicant does not agree with costs determined under subsection (4)(c)(i) or proposed under
17 subsection (4)(c)(v), the applicant may initiate the informal review process pursuant to 75-1-208(3). If the
18 applicant does not agree to a time extension proposed by the agency under subsection (4)(c)(v), the agency
19 may initiate an informal review by an appropriate board under 75-1-208(3). The period of time for completion of
20 the environmental impact statement provided in the agreement is tolled from the date of submission of a
21 request for a review by the appropriate board until the date of completion of the review by the appropriate
22 board. However, the agency shall continue to work on preparation of the environmental impact statement
23 during this period if the applicant has advanced money to pay for this work.

24 (5) All fees and costs collected under this part must be deposited in the state special revenue fund as
25 provided in 17-2-102. All fees and costs paid pursuant to this part must be used as provided in this part. Upon
26 completion of the necessary work, each agency shall make an accounting to the applicant of the funds
27 expended and refund all unexpended funds without interest."
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Section 4. Section 75-6-114, MCA, is amended to read:

"75-6-114. Civil penalty. (1) In an action initiated by the department to collect civil penalties against a person who is found to have violated this part or a rule, order, or condition of approval issued under this part, the person is subject to a civil penalty not to exceed \$10,000. The action must be filed in the district court of the county in which the violation occurred or, if mutually agreed on by the parties in the action, in the district court of the first judicial district, Lewis and Clark County.

(2) Each day of violation constitutes a separate violation.

(3) Action under this section does not bar enforcement of this part or a rule, order, or condition of approval issued under this part by injunction or other appropriate remedy.

(4) When seeking penalties under this section, the department shall take into account the penalty factors in 75-1-1001 in determining an appropriate settlement or judgment, as appropriate.

(5) Civil penalties collected pursuant to this section must be deposited in the state general fund.

(6) The parties may agree to enter arbitration. Arbitration entered pursuant to this section is subject to the Uniform Arbitration Act, Title 27, chapter 5."

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